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KB HOME
Form 11-K
July 11, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended: December 31, 2000

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____

Commission File No. 1-9195

A. Full title of the plan and the address of the plan, if different from that
of the issuer named below:

KAUFMAN AND BROAD HOME CORPORATION
AMENDED AND RESTATED
401 (k) SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address
of its principal executive office:

KB HOME
10990 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024

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AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan
Years ended December 31, 2000 and 1999
with Report of Independent Auditors

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Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

Audited Financial Statements
and Supplemental Schedule

Years ended December 31, 2000 and 1999

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Report of Independent Auditors

To the Administrative Committee, as Plan Administrator
of the Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Kaufman and Broad Home Corporation Amended and Restated 401(k) Savings Plan as of December 31, 2000 and 1999, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence

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supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2000, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

Los Angeles, California
May 25, 2001

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Kaufman and Broad Home Corporation Amended and Restated 401(k) Savings Plan

Statements of Net Assets Available for Benefits

	DECEMBER 31,	
	2000	1999
ASSETS		
Investments, at fair value	\$71,452,156	\$55,571,152
NET ASSETS AVAILABLE FOR BENEFITS	\$71,452,156	\$55,571,152

See accompanying notes.

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Kaufman and Broad Home Corporation Amended and Restated 401(k) Savings Plan

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Statements of Changes in Net Assets Available for Benefits

	YEAR ENDED DECEMBER 31,	
	2000	1999
ADDITIONS:		
Contributions from:		
Plan participants	\$ 9,226,585	\$ 7,277,000
Employer, net of forfeitures	5,845,557	3,615,680
	15,072,142	10,892,680
Transfers from other plans	17,698,420	3,134,970
Investment income:		
Interest and dividends	5,500,770	4,750,520
Net (depreciation) appreciation in fair value of investments	(8,014,335)	3,592,610
	(2,513,565)	8,343,130
Total additions	30,256,997	22,370,790
DEDUCTIONS:		
Benefits paid to participants	14,264,844	8,240,740
Administrative expenses	111,149	50,980
Total deductions	14,375,993	8,291,720
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	15,881,004	14,079,060
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	55,571,152	41,492,080
End of year	\$ 71,452,156	\$55,571,150

See accompanying notes.

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Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

Notes to Financial Statements

December 31, 2000

1. GENERAL DESCRIPTION OF THE PLAN

The Kaufman and Broad Home Corporation Amended and Restated 401(k) Savings Plan (the Plan) is a defined contribution plan in which salaried employees of Kaufman

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and Broad Home Corporation (the Company) are eligible to enroll on January 1, April 1, July 1 or October 1 following the completion of 1,000 hours of service with the Company computed from the date of employment, or full-time employment for six months.

Participants electing to participate in the Plan may contribute up to 10% of their annual compensation, on a pretax basis, by means of payroll deduction. Participants may also contribute up to an additional 9% of their annual compensation, on an after tax basis, also by means of payroll deduction. All contributions must be in whole percentages. Pretax contributions are eligible for tax deferred treatment up to the limits provided by the Tax Reform Act of 1986, as adjusted for cost of living.

Unless otherwise elected by the Board of Directors, the Company will match the participant's pretax contribution up to 6% of annual base salary (determined without regard to bonuses and a maximum of \$50,000 of regular earnings for commission employees). Company matching contributions and related investment income vest to participants over five years.

Plan assets are held by Fidelity Investments Institutional Operations Company, Inc. (the Trustee). Plan participants may direct the investment of their funds among one or more of the several fund options offered by the Plan.

Terminating participants may elect (with spousal consent) to withdraw their contributions, vested Company contributions and related investment income as a lump sum payment. In the absence of a valid election, the participant's vested benefits will be distributed in the form of a Qualified Joint and Survivor Annuity or a Qualified Preretirement Survivor Annuity, or in a lump sum if the actuarial equivalent is not more than \$5,000.

Nonvested Company contributions are forfeited and used by the Company to reduce future employer contributions.

The Plan allows participant loans and hardship withdrawals subject to certain limitations.

In the event of Plan termination, benefits of all affected participants, if not already so, shall become 100% vested and nonforfeitable.

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Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Plan are prepared on an accrual basis. Investment income is recorded as earned. Distributions of Plan benefits to withdrawn participants are recorded when distributed. Expenses incurred in the administration of the Plan are paid by the Company. Expenses incurred related to terminated participants and participant loans are paid by the Plan.

The financial statements are based on information provided to the Company and certified as complete and accurate by the Trustee. Certain adjustments have been made to the financial statements provided by the Trustee in order for them to conform to the accrual basis of accounting. The preparation of financial

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statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that could affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Certain prior year financial statement amounts have been reclassified to conform to the current year presentations.

3. TRANSFERS FROM OTHER PLANS

Transfers from other plans consist of transfers of participant account balances from other Company sponsored plans which were merged into the Plan during the year.

4. DIFFERENCES BETWEEN FINANCIAL STATEMENTS AND FORM 5500

The following is a reconciliation of net assets available for benefits between the financial statements and the Form 5500:

	DECEMBER 31,	
	2000	1999
Net assets available for benefits per financial statements	\$71,452,156	\$ 55,571,152
Liability recorded in the Form 5500 for amounts due to withdrawn participants	--	(2,652,378)
Net assets available for benefits per the Form 5500	\$71,452,156 =====	\$ 52,918,774 =====

Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

Notes to Financial Statements (continued)

4. DIFFERENCES BETWEEN FINANCIAL STATEMENTS AND FORM 5500 (CONTINUED)

The following is a reconciliation of benefits paid to participants between the financial statements and Form 5500:

	DECEMBER 31,	
	2000	1999
Benefits paid to participants per financial statements	\$ 14,264,844	\$ 8,291,727
Add amounts related to withdrawn		

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participants at year end	--	2,652,378
Less amounts related to withdrawn		
participants from previous year	(2,652,378)	(1,848,300)
	-----	-----
Benefits paid to participants per the Form 5500	\$ 11,612,466	\$ 9,095,805
	=====	=====

5. INVESTMENTS

Investments are valued at fair value, which is determined daily by the Trustee through reference to published market information using closing prices on the valuation date.

The fair value of the Plan's individual investments that represent five percent or more of the Plan's net assets as of December 31, 2000 and 1999, were as follows:

	DECEMBER 31,	
	2000	1999
	-----	-----
Strong Growth	\$ 7,105,426	\$ 4,081,133
Fidelity Magellan	17,877,966	17,103,279
Fidelity Contrafund	10,452,240	8,104,716
Fidelity Equity Income	7,634,983	7,791,669
Fidelity Asset Manager	5,235,770	3,371,928
Fidelity Retirement Money Market	7,767,083	7,483,622

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Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

Notes to Financial Statements (continued)

5. INVESTMENTS (CONTINUED)

Net appreciation (depreciation) of the Plan's investments (including investments bought, sold, and held during the year) during the years ended December 31, 2000 and 1999, were as follows:

	DECEMBER 31,	
	2000	1999
	-----	-----
Mutual funds	\$ (8,832,132)	\$ 3,647,614
Common stock	817,797	(55,001)
	-----	-----
	\$ (8,014,335)	\$ 3,592,613
	=====	=====

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6. TAX STATUS OF THE PLAN

The Plan has received a determination letter from the Internal Revenue Service dated May 7, 1991, stating that the Plan is qualified, in form, under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

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Kaufman and Broad Home Corporation
Amended and Restated 401(k) Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2000

IDENTITY OF ISSUE -----	DESCRIPTION OF ASSET -----
Strong Capital Management - Strong Growth Fund	262,677 shares
Franklin Templeton - Templeton Developing Markets Trust I	56,914 shares
Kaufman and Broad Home Corporation(*) common stock	83,066 shares
Fidelity(*) Mutual Funds:	
Magellan	149,857 shares
Contrafund	212,574 shares
Equity Income	142,897 shares
Intermediate Bond	284,388 shares
Overseas	40,061 shares
Asset Manager	311,282 shares
Low-Priced Stock	101,930 shares
Retirement Money Market	7,767,083 shares
Spartan U.S. Equity Index	74,847 shares
Participant(*) loans	Interest rates ranging from 6% to 10%

(*)Party-in-interest to the Plan.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Kaufman and Broad Home Corporation
Amended and Restated
401(k) Savings Plan

Dated: July 10, 2001

by: /s/ Cory Cohen

Cory Cohen
Vice President, Tax

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EXHIBIT INDEX

Exhibit No. -----	Description -----	Sequentially Numbered Page -----
23.1	Independent Auditor's Consent	